**§2-1504. Liquidation of damages**

**(1).**  Damages payable by either party for default or any other act or omission, including indemnity for loss or diminution of anticipated tax benefits or loss or damage to lessor's residual interest, may be liquidated in the lease agreement but only at an amount or by a formula that is reasonable in light of the then anticipated harm caused by the default or other act or omission.

[PL 1991, c. 805, §4 (NEW).]

**(2).**  If the lease agreement provides for liquidation of damages and that provision does not comply with subsection (1), or that provision is an exclusive or limited remedy that circumstances cause to fail of its essential purpose, remedy may be had as provided in this Article.

[PL 1991, c. 805, §4 (NEW).]

**(3).**  If the lessor justifiably withholds or stops delivery of goods because of the lessee's default or insolvency (section 2‑1525 or 2‑1526) the lessee is entitled to restitution of any amount by which the sum of the lessee's payments exceeds:

(a). The amount to which the lessor is entitled by virtue of terms liquidating the lessor's damages in accordance with subsection (1); or [PL 1991, c. 805, §4 (NEW).]

(b). In the absence of those terms, 20% of the then present value of the total rent the lessee was obligated to pay for the balance of the lease term, or, in the case of a consumer lease, the lesser of that amount or $500. [PL 1991, c. 805, §4 (NEW).]

[PL 1991, c. 805, §4 (NEW).]

**(4).**  A lessee's right to restitution under subsection (3) is subject to offset to the extent the lessor establishes:

(a). A right to recover damages under the provisions of this Article other than subsection (1); and [PL 1991, c. 805, §4 (NEW).]

(b). The amount or value of any benefits received by the lessee directly or indirectly by reason of the lease contract. [PL 1991, c. 805, §4 (NEW).]

[PL 1991, c. 805, §4 (NEW).]

SECTION HISTORY

PL 1991, c. 805, §4 (NEW).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 131st Maine Legislature and is current through January 1, 2025
 . The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.